

Message Text

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TO AMEMBASSY TOKYO

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SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO JAPAN

FOLLOWING IT FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF \$5,833,000 TO THE JAPAN ATOMIC POWER COMPANY (JAPC)
OF TOKYO. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HEREIN IN WASHINGTON,
D.C. FOR A.M. PAPERS WEDNESDAY, OCT 23, 1974

QUOTE: EXIMBANK CREDIT OF \$5,833,000 SUPPORTS \$19,444,000
SALE OF U.S. COSTS OF NUCLEAR FUEL TO JAPAN

TO HELP FINANCE OF \$19,444,000 U.S. COSTS OF THE CONVERSION,
ENRICHMENT AND PARTIAL FABRICATION OF THE THIRD CORE NUCLEAR
FUEL REQUIREMENTS FOR THE TSURUGA NUCLEAR POWER STATION IN JAPAN,
THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES
HAS AUTHORIZED A DIRECT CREDIT OF \$5,833,000 TO FINANCE 30 PERCENT
OF THE TOTAL U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM
J. CASEY. A CREDIT OF \$11,667,000 FROM MANUFACTURERS HANOVER
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TRUST COMPANY, NEW YORK, WILL COVER 60 PERCENT OF THE TOTAL U.S.

COSTS. THE OBLIGOR, THE JAPAN ATOMIC POWER COMPANY (JAPC) OF TOKYO, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10 PERCENT OR \$1,944,000.

THE TSURUGA NUCLEAR POWER STATION WAS ORIGINALLY FINANCED WITH THE ASSISTANCE OF AN EARLIER EXIMBANK CREDIT. JAPC IS NOW COMPLETING ARRANGEMENTS FOR THE PURCHASE OF THE THIRD CORE FUEL REQUIREMENTS WHICH WILL CONSIST OF FIVE SEQUENTIAL BATCHES, ONE OF WHICH IS TO BE LOADED EACH YEAR STARTING IN MAY 1976. THE PROCUREMENT WILL UTILIZE CANADIAN YELLOW-CAKE, CONVERSION BY KERR-MCGEE CORPORATION, TOLL ENRICHMENT SERVICES BY THE U.S. ATOMIC ENERGY COMMISSION, AND FUEL FABRICATION PARTLY BY GENERAL ELECTRIC COMPANY WHICH WILL PROVIDE A NEW DESIGN AND WILL FABRICATE THE FIRST TWO BATCHES OF THE THIRD CORE

THE LOANS ARE TO BE REPAID IN 5 SCHEDULES OF 9 SEMIANNUAL INSTALLMENTS EACH BEGINNING NOVEMBER 1, 1976, AND EACH NOVEMBER 1 THEREAFTER

THE LAST SUCH SCHEDULE BEGINNING IN 1980. EXIMBANK'S DIRECT CREDIT OF \$5,833,000 WILL BE REPAID OUT OF THE LAST THIRD OF EACH SCHEDULE AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM THE PARTICIPATING COMMERCIAL BANK, RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10.5 PERCENT TO 10.75 PERCENT PER ANNUM. REPAYMENT OF ALL LOANS IS TO BE GUARANTEED BY THE JAPAN DEVELOPMENT BANK. INGERSOLL

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